containment of inflation remains high on the agenda of the Government. Anti-inflationary policies of the government include strict fiscal discipline, rationalization of duties of essential items, effective supply demand management of essential commodities through liberal tariff and trade policies, and procurement through public sector agencies. The Monetary policy of Reserve Bank of India, while being conducive to economic growth, has attempt to contain inflationary expectations arising out of uncertainties in domestic and international environment.

Bringing down rising prices

3009. DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has reduced import duty and banned export of certain products to bring down rising price index;

(b) if so, the details of the products and share of these products in consumer price index;

(c) whether this step of Government will bring relief to the consumers; and

(d) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. Import of wheat, rice and pulses is permitted at zero duty. Export of wheat, non-basmati rice and pulses has been banned.The custom duty on edible oils has been reduced to zero and 7.5% for crude and refined varieties respectively.

Weights of these items in the commodity basket of Consumer Price Index for industrial workers (CPI-IW based on 2001=100) are as follows:

* cereals and products (13.48 per cent),
* pulses and products (2.91 per cent) and
* oils & fats (3.23 per cent).

(c) to (d) These steps are expected to bring relief to the consumers.

Prices of petrol and diesel in country

†3010. SHRI RAM JETHMALANI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the prices of petrol and diesel are comparatively low in the prominent countries of Asia than in India;

(b) if not, the details of petrol and diesel prices in China, Bangladesh, Indonesia, Malaysia, Pakistan and Nepal in January, 2008;

(c) the details of the prices of the these products in India; and

(d) the reasons of such difference in the prices of these products?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The retail selling prices of Petrol and Diesel in India and some Asian countries, in respect of which data is readily available, and prevalent during the month of January 2008, are given below:

	Petrol Rs./litre#	Diesel Rs./litre#
India(Delhi)	43.52	30.48
Pakistan	33.72	23.67
Bangladesh	37.13	22.85
Sri Lanka	42.38	27.17
Nepal	48.76	34.28

*Data provided by IOC

#Prices converted to Indian Rupees as per currency exchange rate prevalent in January, 2008.

The retail prices of petrol and diesel depend on the pricing policies/pricing methodologies, apart from the taxation structure adopted by the respective Governments.

Uniform sales taxes on Petrol and Diesel

3011. SHRI AMIR ALAM KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to reduce cess on petrol and diesel in all the States of the country;

(b) if so, the details thereof;

(c) whether any estimate has been made in regard to the likely impact of such uniform sales tax on the revenue of the States;

(d) if so, the details thereof; and

(e) the details of measures taken for rationalisation of sales tax rates in the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Taxes on sale of petrol and diesel, including levy of additional duties on petrol and diesel in the form of cess, State Development Tax and additional Sales Tax by some States, is a State subject by virtue of Entry 54 of State List of the VII Schedule of the Constitution of India. As per the agreed decision of the Empowered Committee of State Finance Ministers (EC) regarding petrol and diesel, these are taxed outside Value Added Tax (VAT), under the Sales Tax Act of the State or any other State Act or by making special provisions in the VAT Act itself, with uniform floor rate of 20% as decided by the EC. However, in the case of North-Eastern States, Sikkim and J&K, lower floor rate of 12.5% for diesel only has been suggested by the EC. Since these are floor rates, a number of States levy taxes at rates much higher than 20%.

This being a State subject, it is not possible for the Government of India to intervene.

(b) to (d) In view of (a) above, question does not arise.

(e) Value Added Tax system has now been adopted by all States. The VAT system involves a good degree of uniformity in rates across the country.